

DRAFT

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

NOTIFICATION

New Delhi, the _____ 2026

G.S.R. _____(E) --- In exercise of the powers conferred by section 5, read with section 6, section 113, and section 319 under Parts II and V of the Merchant Shipping Act, 2025 (24 of 2025), and in supersession of the Merchant Shipping (National Welfare Board for Seafarers) Rules, 1963 and the Merchant Shipping (Levy of Seamen's Welfare Fee) Rules, 1974, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely: —.

1. Short Title, Commencement and Application.

(1) Short title. - These rules may be called the **Merchant Shipping (Seafarers Welfare Board and Levy of Fees) Rules, 2026.**

(2) Commencement. - They shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different provisions of these rules.

(3) Application. - These rules shall apply to—

(a) every Indian vessel registered under the Act;

(b) every other vessel while within the jurisdiction of India, to the extent permitted under Sections 2 and 57 of the Act;

(c) owners, operators, recruitment and placement service providers, and agents responsible for the engagement, deployment or welfare of seafarers on such vessels; and

(d) all seafarers present within the jurisdiction of India, irrespective of nationality or the flag of the vessel on which they are employed, in respect of access to welfare facilities and services provided under these rules.

Provided that the levy of fees under these rules shall apply only to vessels and persons upon whom such levy may lawfully be imposed under the Act.

2. Definitions. - (1) In these rules, unless the context otherwise requires—

(a) “Act” means the Merchant Shipping Act, 2025 (No. 24 of 2025);

(b) “Board” means the Seafarers Welfare Board constituted under section 5 of the Act;

(c) “Chairperson” means the Chairperson of the Board;

(d) “Director-General” means the Director-General of Maritime Administration appointed under section 7 of the Act;

(e) “Fund” means the Seafarers Welfare Fund established and administered under these rules;

(f) “Proper officer” means the Shipping Master or such other officer as may be appointed by the Central Government for the purposes of administration and collection of fees under these Rules.

(g) “Schedule” means the Schedule to these rules;

(h) “Seafarers Welfare Board Audit Team” or “SWBAT” means a team constituted by the Central Government under these rules for the purpose of inspecting, auditing and verifying shore-based welfare facilities and recommending issuance, renewal, suspension or cancellation of welfare certifications;

(i) “Seafarers Welfare Fund Society” means the society registered under the Societies Registration Act, 1860 (21 of 1860);

(j) "Secretary" means the Secretary of the Board;

(k) "Year" means a financial year commencing on the first day of April.

(2) Words and expressions used but not defined in these rules and defined in the Act shall have the meanings respectively assigned to them in the Act.

Chapter I – Seafarers Welfare Board

3. Constitution of the Board. - (1) The Central Government shall, by notification, constitute the Seafarers Welfare Board for a period of two years at a time in accordance with sub-section (1) of section 5 of the Act.

(2) The Board shall continue for such period as may be specified in the notification, and may be reconstituted or continued by subsequent notification.

(3) The Board shall perform the functions specified under section 5 of the Act and discharge responsibilities arising under section 78 of the Act.

4. Composition of the Board. – (1) The Board shall consist of the following members:

- (a) The Minister of Ports, Shipping, and Waterways, Chairperson, ex-officio;
- (b) The Director-General of Maritime Administration, Vice-Chairperson, ex-officio;
- (c) Six representatives of the Central Government, nominated by that Government;
- (d) one representative each from such State Maritime Boards or State maritime departments as may be notified by the Central Government;
- (e) Six representatives of the Boards of Major Port Authorities, nominated by the Central Government;
- (f) Five representatives of shipowners, appointed by the Central Government in consultation with shipowners;
- (g) Five representatives of seafarers, appointed by the Central Government after consulting associations of seafarers;
- (h) Three Members of Parliament, two from the Lok Sabha and one from the

Rajya Sabha, nominated by the Central Government;

(i) four representatives of registered organisations engaged in seafarers welfare, appointed by the Central Government;

(j) One representative from a professional body representing master mariners of India, appointed by the Central Government;

(k) one independent member with experience in seafarers welfare, appointed by the Central Government; and

(l) The Deputy Director-General in charge of seafarers welfare, ex-officio.

5. Term of Office. - (1) Subject to the period specified for the Board under rule 3(1), every member of the Board, other than an ex-officio member, shall hold office for a period of two years from the date of publication of the notification constituting the Board, unless they resign or are removed earlier.

(2) An ex-officio member shall hold office for so long as they hold the post by virtue of which they are a member.

Provided that a Member of Parliament appointed to the Board shall hold office for a period of two years or until they cease to be a Member of Parliament, whichever is earlier.

6. Casual Vacancies. - (1) A casual vacancy in the office of a member shall be filled by nomination or appointment, as the case may be.

(2) A member appointed to fill a casual vacancy shall hold office for the remainder of the term of the member in whose place they are appointed.

7. Resignation. – (1) A member may resign from office by writing under their hand addressed to the Chairperson.

(2) The resignation shall not take effect until it is accepted by the Chairperson.

8. Removal of Members. - (1) The Central Government may remove a member of the Board, if—

- (a) they are continuously absent from India for more than twelve months without prior permission of the Chairperson;
- (b) they are absent from three consecutive meetings without permission of the Chairperson;
- (c) they have been adjudged as an insolvent;
- (d) they have been convicted of an offence involving moral turpitude;
- (e) they cease to represent the category or interest on whose behalf they were appointed; or
- (f) the Central Government, after recording reasons in writing and providing an opportunity of being heard, considers it undesirable for them to continue as a member.

9. Suspension of Representation. – (1) Where, after enquiry, the Central Government is of the opinion that any body or association represented on the Board has acted in a manner prejudicial to the interests of seafarers, it may, by order and for reasons recorded in writing, suspend the right of such body or association to be represented on the Board for the period specified in the order.

(2) Upon such suspension, the member nominated by that body or association shall cease to hold office for the duration of the suspension.

(3) A vacancy arising under sub-rule (2) shall not be treated as a casual vacancy under rule 6, and shall be filled only for the period of suspension specified under sub-rule (1).

(4) Nothing in this rule shall affect the power of the Central Government to remove an individual member under rule 8.

10. Register of Members. - (1) A register of members shall be maintained by the Secretariat of the Board and shall contain the following particulars in respect of each member—

- (a) name and address;
- (b) the capacity in which they serve on the Board and the body, association, organisation, port authority, State Maritime Board or Government department which they represent, where applicable;
- (c) date of appointment and term of office;
- (d) date and reason for cessation of office; and
- (e) any change in the particulars referred to in clauses (a) and (b).

11. Secretary of the Board. – (1) The Deputy Director-General of Maritime Administration in charge of Seafarers Welfare, ex-officio member under Rule 4, shall also function as Secretary of the Board.

(2) Duties of the Secretary include:

- (a) Convening meetings under directions of the Chairperson;
- (b) Maintaining the Minute Book and Register of Members;
- (c) Assisting the Chairperson in discharge of duties; and
- (d) Performing other duties assigned by the Board from time to time.

12. Meetings of the Board. – (1) The Board shall ordinarily meet at least once in every six months, and may meet at such shorter intervals as the Chairperson may consider necessary.

(2) An extraordinary meeting of the Board shall be convened if not less than five members make a written requisition to the Chairperson specifying the purpose for which such meeting is required.

(3) Every meeting of the Board shall be presided over—

(a) by the Chairperson; or

(b) in the absence of the Chairperson, by the Vice-Chairperson; or

(c) if both the Chairperson and the Vice-Chairperson are absent, by a member elected by the members present from amongst themselves to preside.

(4) Meetings of the Board shall be held on such date, time and place as may be fixed by the Chairperson.

13. Notice of Meetings. – (1) Notice of the place, date and time of each meeting of the Board shall be given to every member at least fifteen days in advance.

Provided that in cases of urgency, the Chairperson may permit a shorter notice period.

(2) Notice may be served—

(a) by hand delivery, or

(b) by registered post to the last known address of the member, or

(c) by electronic means, including e-mail or other modes of digital communication approved by the Chairperson.

(3) Service of notice by electronic means shall be deemed sufficient where transmission is confirmed by system delivery status or any other proof of dispatch.

14. Agenda. – (1) Along with the notice, a list of business proposed for the meeting shall be sent to all members.

(2) No business not included in the agenda shall be transacted except with permission of the Chairperson.

15. Quorum. – (1) The quorum for a meeting of the Board shall be one-third of the total number of members or fifteen members, whichever is greater.

(2) If no quorum is present, the meeting shall be adjourned to a later date not earlier than fourteen days from the original date.

(3) Business at the adjourned meeting may be transacted whether or not quorum is present.

16. Procedure at Meetings. – (1) A member wishing to discuss any proposal shall give written notice to the Secretary at least seven days before the meeting

(2) The presiding member shall regulate the conduct of the meeting and may fix time limits for speeches.

17. Voting. – (1) Decisions shall be made by a majority of votes of members present and voting.

(2) In case of a tie, the presiding member shall have a casting vote.

(3) All votes shall be by show of hands.

18. Minutes of Meetings. – (1) Minutes shall be prepared by the Secretary and circulated to all members in India.

(2) Minutes, along with any amendments suggested, shall be placed for confirmation at the next meeting.

(3) Once confirmed and signed by the Chairperson or presiding member, minutes shall be recorded in the Minutes Book, which shall remain open for inspection during office hours.

19. Recommendations. – (1) Decisions requiring further action shall be recorded as recommendations and forwarded to the Ministry of Ports, Shipping, and Waterways.

20. Non-Members Attending Meetings. – (1) The Chairperson may invite any person to attend a meeting of the Board for the purpose of providing expert advice or information relevant to the functions of the Board.

(2) Persons invited under sub-rule (1) may include representatives of Government departments, shipowners or seafarers organisations, port authorities, voluntary welfare organisations, maritime training institutions, or subject-matter experts in seafarers welfare, maritime labour standards, or related matters.

(3) An invitee shall have the right to participate in discussions but shall not have a right to vote.

21. Sub-Committees. – (1) The Board may constitute one or more sub-committees, standing or otherwise, to examine and report on matters relating to the functions of the Board.

(2) A sub-committee shall consist of such members of the Board as the Board may determine, and may also include persons having special knowledge or experience in matters relating to seafarers welfare, maritime labour standards or port welfare operations, as the Board considers necessary.

(3) Persons who are not members of the Board but are appointed to a sub-committee shall have the right to participate and advise, but shall not have voting rights.

(4) Sub-committees shall submit their recommendations to the Board, and no decision of a sub-committee shall be binding unless approved by the Board.

22. Travelling and Daily Allowances. – (1) Members of the Board and members of any sub-committee shall be entitled to travelling and daily allowances for attending meetings or for undertaking any official business of the Board, in accordance with the terms and conditions prescribed in the Government of India, Ministry of Finance, Office

Memorandum No. 19030/01/2017-E.IV dated 13th July 2017, as amended from time to time.

(2) In the case of non-official members, the entitlements shall be governed by Office Memorandum F. No. 19047/1/2016-E.IV dated 14th September 2017, as amended from time to time.

(3) The Director-General shall be the controlling authority for sanctioning allowances in respect of non-official members.

(4) Nothing in this rule shall affect the entitlement of any member to receive allowances from his or her employer, where applicable.

CHAPTER II – Levy and Collection of Seafarers Welfare Fees

23. Levy and Collection of Seafarers Welfare Fees. – (1) In accordance with sub section (3) of section 5 of the Act, there shall be levied and collected, in respect of each seafarer engaged on board an Indian ship, an annual welfare fee at the rate of five hundred rupees per year or such other rate as the Central Government may, by notification, specify from time to time for the purpose of providing amenities and promoting the welfare of seafarers.

(2) The annual welfare fee shall be payable by the master, owner or agent of the ship in respect of each seafarer held in engagement on the first day of January every year.

(3) The annual welfare fee shall be paid not later than the thirty-first day of May of the year to which it relates.

Provided that in the year of commencement of these rules, the fee shall be paid within sixty days from such commencement.

(4) The fee shall be paid by electronic transfer or demand draft to the proper officer, who shall credit such fee to the Government account under the head “XI—Mercantile Marine—Seafarers Welfare Fee” within seven days of receipt.

(5) The proper officer shall issue a receipt for every payment received in Form I specified in Schedule I.

(6) Every master, owner or agent shall furnish to the proper officer such information as may be required for the implementation of these rules.

(7) Notwithstanding anything contained in sub-rule (1), in the year of commencement, the annual fee payable shall be five rupees per seafarer, irrespective of the date of engagement.

24. Welfare Fund Contributions. - (1) All Indian-flag shipowners shall contribute to the Seafarers Welfare Fund Society for all seafarers, other than trainees, engaged by them—

(a) at the rate of ₹4,800 per seafarer per annum for Indian flagged foreign-going ships, and

(b) at the rate of ₹2,400 per seafarer per annum for home-trade and coasting ships.

(2) The contributions under sub-rule (1) shall be remitted on a quarterly basis to the Seafarers Welfare Fund Society, by electronic transfer or demand draft, drawn in favour of the Society.

25. Security for payment in respect of foreign ships employing Indian seafarers. —

(1) Where an Indian seafarer is engaged or employed on a ship not registered in India and such ship is within Indian jurisdiction, the master, owner or agent of the ship shall, if required by the proper officer, furnish security for the payment of the welfare fee payable under these rules.

(2) The security shall be in the form of a bank guarantee, cash deposit, or any other financial instrument acceptable to the proper officer.

(3) The amount of security, not exceeding rupees five hundred, as may be determined by the proper officer having regard to the number of Indian seafarers engaged on board and the welfare fee payable under these rules.

(4) The proper officer may waive the requirement under this rule where the shipowner or employer maintains an approved roster with the Directorate General of Maritime Administration and has a demonstrated record of compliance.

(5) Any waiver granted under this rule shall be issued in writing, specifying the period of validity and the conditions attached thereto, and shall be communicated to the shipowner or employer.

(6) Any security furnished under this rule shall be enforceable by any competent court in the same manner as if it had been furnished directly to that court.

26. Determination of Disputes Regarding Liability. – (1) Where any dispute arises regarding the liability for payment of, or the amount of, the fee payable under these rules, the master, owner or agent of the ship may apply in writing to the Director-General for determination of the dispute.

(2) The Director-General shall, after giving the applicant an opportunity of being heard and after examining the relevant records, pass a reasoned order determining the liability.

(3) The decision of the Director-General shall be binding on both the Parties.

27. Withholding of port clearance for non-payment. - (1) Where the master, owner or agent of a ship fails to pay the welfare fee within the time prescribed, the proper officer shall issue a notice requiring payment within thirty days.

(2) If the shipowner, master or agent does not comply with such notice, the proper officer may intimate the Customs authorities, who shall withhold port clearance of the ship until the outstanding amount and applicable expenses are paid or adequate security under rule 25 is furnished.

(3) Where a ship leaves a port without payment being made, the proper officer may request the Customs authorities at any other Indian port to detain the ship and recover the unpaid amount in the same manner as dues recoverable prior to granting port clearance.

(4) Upon receipt of such requisition, the Customs authorities shall recover the amount as if payable at the port of arrival, and the written certificate issued by the proper officer at the originating port specifying the amount due shall be sufficient proof of liability.

(5) Upon recovery, the Customs authorities shall issue a receipt in the form specified in Schedule I to the payer and remit the amount recovered to the proper officer, along with a copy of the receipt and supporting records.

28. Receipts and remittance to Consolidated Fund of India. — (1) The total amount of annual welfare fee collected under these rules shall be credited to the Consolidated Fund of India under the revenue receipt head: “XI — Mercantile Marine — Seafarers Welfare Fee”.

(2) The Central Government shall determine, annually, the cost of collection of the welfare fee, and after deduction of such cost from the gross collections, the net proceeds shall, after due appropriation by Parliament, be remitted to the Seafarers Welfare Fund Society.

(3) The remittance under sub-rule (2) shall be debited to the expenditure head: “54 — Mercantile Marine — Contributions/Payments on account of Seafarers Welfare Fee”.

(4) The Seafarers Welfare Fund Society shall account for all such receipts in its books and maintain separate records for amounts received under these rules.

29. Utilisation of Funds. —

(1) The amounts remitted to the Seafarers Welfare Fund Society under these Rules shall be utilised solely for the welfare of seafarers and their dependants, and for the establishment, maintenance, or improvement of shore-based welfare services and facilities, as per Section 5(1) and as stated in the Memorandum of Association of the Seafarers Welfare Fund Society.

(2) The Seafarers Welfare Fund Society shall maintain separate accounts for all receipts and expenditures under these Rules and shall furnish annual statements of accounts and utilisation certificates to the Central Government.

30. Refund of excess payment. — (1) Where any annual welfare fee paid under these rules exceeds the amount actually due, the excess amount shall be refunded, on a claim made within twelve months from the date of payment;

Provided that the competent authority may, for reasons to be recorded in writing, extend the time for making such claim by a further period not exceeding twelve months.

(2) Refunds sanctioned under sub-rule (1) shall be adjusted under the head: “XI — Mercantile Marine — Deduct Refunds”.

31. Maintenance of accounts. — (1) The proper officer shall maintain, for each port, a proforma account in the form specified in Schedule II, showing—

- (a) fees due and collected;
- (b) security furnished and discharged under rule 27;
- (c) refunds made;
- (d) cost of collection; and
- (e) amounts remitted to the Seafarers Welfare Fund Society.

(2) The accounts maintained under sub-rule (1) shall be subject to audit in accordance with the directions of the Central Government.

32. Penalties. — (1) Any person who contravenes any provision of these rules or fails to comply with any lawful direction issued thereunder shall be liable—

(a) to a penalty which may extend to ₹2,000; and

(b) in the case of a continuing contravention, to an additional penalty which may extend to ₹50 for every day after the first day during which the contravention continues.

(2) The penalty under sub-rule (1) shall be imposed by the Director-General or an officer authorised by him, after giving the person concerned an opportunity of being heard.

(3) The imposition of penalty under this rule shall be without prejudice to any other action or penalty provided under the Act.

33. Savings Clause. – Nothing in these rules shall affect the operation of any administrative instructions, orders or circulars issued under the repealed enactments, in so far as they are not inconsistent with the provisions of the Act or these rules, and such instructions, orders or circulars shall continue in force until modified or superseded in accordance with law.

SCHEDULE I

(Rule 23(5) & Rule 25(5))

Form I — Receipt for Seafarers Welfare Fee

1. Name of Port: _____
2. Seafarers Registration Port: _____
3. Amount Paid: ₹ _____ (in words: _____)
4. Date of Payment Due: _____
5. Actual Date of Payment: _____
6. Vessel Details:
 - (a) Name of Vessel: _____
 - (b) IMO No. / Official No.: _____
 - (c) Tonnage: _____
 - (d) Number of Seafarers Signed On: _____
7. Name and Address of Payer (Master/Owner/Agent):

8. Mode of Payment (Cheque/DD/Online Ref. No.):

Signature of Proper Officer

The Collector of Customs

(Seal of Office)

Name: _____

Designation: _____

Date: _____

SCHEDULE II

(Rule 31)

Proforma Account for Seafarers Welfare Fee (for the Financial Year _____)

- a) Seafarers Welfare Fee dues from the owners in respect of
 - (i) Arrears.
 - (ii) Current year.
- b) Seafarers Welfare Fee actually collected in respect of
 - (i) Arrears.
 - (ii) Current Year.
- (c) Securities, if any, held for effecting payment of levy, under Rule 27 in respect of
 - (i) Past Payment.
 - (ii) Current Payment.
- (d) Refund of excess payment under Rule 30.
- (e) Cost of collection as determined by the Central Government.
- (f) Miscellaneous expenditure, if any.
- (g) Amount of levy paid to the Seafarers Welfare Fund Society by Central Government.